

“(5) **SELECTION.**—Awards under this subsection shall be peer reviewed and competitively awarded. The Director shall select proposals to receive awards—

“(A) that utilize innovative or collaborative approaches to solving the problem described in the competition;

“(B) that will improve the competitiveness of industries in the region in which the Center or Centers are located; and

“(C) that will contribute to the long-term economic stability of that region.

“(6) **PROGRAM CONTRIBUTION.**—Recipients of awards under this subsection shall not be required to provide a matching contribution.”

SEC. 204. TECHNOLOGY INNOVATION PROGRAM.

Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n) is amended to read as follows:

“TECHNOLOGY INNOVATION PROGRAM

“**SEC. 28. (a) ESTABLISHMENT.**—There is established in the Institute a Technology Innovation Program for the purpose of assisting United States businesses and institutions of higher education or other organizations, such as national laboratories and nonprofit research institutes, to accelerate the development and application of challenging, high-risk technologies that promise widespread economic benefits for the Nation.

“(b) GRANTS.

“(1) **IN GENERAL.**—The Director shall make grants under this section to eligible companies for research and development on high-risk, high-payoff emerging and enabling technologies that offer significant potential benefits to the United States economy and a wide breadth of potential application, and form an important technical basis for future innovations. Such grants shall be made to eligible companies that are—

“(A) small or medium-sized businesses that are substantially involved in the research and development, including having a leadership role in programmatically steering the project and defining the research agenda; or

“(B) joint ventures.

“(2) **SINGLE COMPANY GRANTS.**—No grant made under paragraph (1)(A) shall exceed \$3,000,000 over 3 years. The Federal share of a project funded by such a grant shall not be more than 50 percent of total project costs. An award under paragraph (1)(A) may be extended beyond 3 years only if the Director transmits to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a full and complete explanation of such award, including reasons for exceeding 3 years. Federal funds granted under paragraph (1)(A) may be used only for direct costs and not for indirect costs, profits, or management fees of a contractor.

“(3) **JOINT VENTURE GRANTS.**—No grant made under paragraph (1)(B) shall exceed \$9,000,000 over 5 years. The Federal share of a project funded by such a grant shall not be more than 50 percent of total project costs.

“(c) **AWARD CRITERIA.**—The Director shall award grants under this section only to an eligible company—

“(1) whose proposal has scientific and technological merit;

“(2) whose application establishes that the proposed technology has strong potential to generate substantial benefits to the Nation that extend significantly beyond the direct return to the applicant;

“(3) whose application establishes that the research has strong potential for advancing the state-of-the-art and contributing significantly to the United States scientific and technical knowledge base;

“(4) whose application establishes that the research is aimed at overcoming a scientific or technological barrier;

“(5) who has provided a technical plan that clearly identifies the core innovation, the tech-

nical approach, major technical hurdles, and the attendant risks, and that clearly establishes the feasibility of the technology through adequately detailed plans linked to major technical barriers;

“(6) whose application establishes that the team proposed to carry out the work has a high level of scientific and technical expertise to conduct research and development, has a high level of commitment to the project, and has access to appropriate research facilities;

“(7) whose proposal explains why Technology Innovation Program support is necessary;

“(8) whose application includes a plan for advancing the technology into commercial use; and

“(9) whose application assesses the project's organizational structure and management plan.

“(d) **EXTERNAL REVIEW OF PROPOSALS.**—In order to analyze the need for or the value of any proposal made by a joint venture or company requesting the Director's assistance under this section, or to monitor the progress of any project which receives funds under this section, the Director shall consult with industry or other expert sources that do not have a proprietary or financial interest in the proposal or project.

“(e) **INTELLECTUAL PROPERTY RIGHTS OWNERSHIP.**—

“(1) **IN GENERAL.**—Title to any intellectual property developed by a joint venture from assistance provided under this section may vest in any participant in the joint venture, as agreed by the members of the joint venture, notwithstanding section 202(a) and (b) of title 35, United States Code. The United States may reserve a nonexclusive, nontransferable, irrevocable paid-up license, to have practiced for or on behalf of the United States in connection with any such intellectual property, but shall not in the exercise of such license publicly disclose proprietary information related to the license. Title to any such intellectual property shall not be transferred or passed, except to a participant in the joint venture, until the expiration of the first patent obtained in connection with such intellectual property.

“(2) **LICENSING.**—Nothing in this subsection shall be construed to prohibit the licensing to any company of intellectual property rights arising from assistance provided under this section.

“(3) **DEFINITION.**—For purposes of this subsection, the term ‘intellectual property’ means an invention patentable under title 35, United States Code, or any patent on such an invention, or any work for which copyright protection is available under title 17, United States Code.

“(f) **PROGRAM OPERATION.**—Not later than 9 months after the date of enactment of the Technology Innovation and Manufacturing Stimulation Act of 2007, the Director shall issue regulations—

“(1) establishing criteria for the selection of recipients of assistance under this section;

“(2) establishing procedures regarding financial reporting and auditing to ensure that contracts and awards are used for the purposes specified in this section, are in accordance with sound accounting practices, and are not funding existing or planned research programs that would be conducted in the same time period in the absence of financial assistance under this section; and

“(3) providing for appropriate dissemination of Technology Innovation Program research results.

“(g) **CONTINUATION OF ATP GRANTS.**—The Director shall, through the Technology Innovation Program, continue to provide support originally awarded under the Advanced Technology Program, in accordance with the terms of the original award.

“(h) **COORDINATION WITH OTHER FEDERAL TECHNOLOGY PROGRAMS.**—In carrying out this section, the Director shall, as appropriate, coordinate with other senior Federal officials to

ensure cooperation and coordination in Federal technology programs and to avoid unnecessary duplication of efforts.

“(i) **ACCEPTANCE OF FUNDS FROM OTHER FEDERAL AGENCIES.**—In addition to amounts appropriated to carry out this section, the Secretary and the Director may accept funds from other Federal agencies to support awards under the Technology Innovation Program. Any award under this section which is supported with funds from other Federal agencies shall be selected and carried out according to the provisions of this section.

“(j) TIP ADVISORY BOARD.

“(1) **ESTABLISHMENT.**—There is established within the Institute a Technology Innovation Program Advisory Board. The TIP Advisory Board shall consist of 10 members appointed by the Director, at least 7 of which shall be from United States industry, chosen to reflect the wide diversity of technical disciplines and industrial sectors represented in Technology Innovation Program projects. No member shall be an employee of the Federal Government.

“(2) **TERMS OF OFFICE.**—(A) Except as provided in subparagraph (B) or (C), the term of office of each member of the TIP Advisory Board shall be 3 years.

“(B) The original members of the TIP Advisory Board shall be appointed to 3 classes. One class of 3 members shall have an initial term of 1 year, one class of 3 members shall have an initial term of 2 years, and one class of 4 members shall have an initial term of 3 years.

“(C) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

“(D) Any person who has completed two consecutive full terms of service on the TIP Advisory Board shall thereafter be ineligible for appointment during the one-year period following the expiration of the second such term.

“(3) **PURPOSE.**—The TIP Advisory Board shall meet no less than 2 times annually, and provide to the Director—

“(A) advice on programs, plans, and policies of the Technology Innovation Program;

“(B) reviews of the Technology Innovation Program's efforts to assess its economic impact;

“(C) reports on the general health of the program and its effectiveness in achieving its legislatively mandated mission;

“(D) guidance on areas of technology that are appropriate for Technology Innovation Program funding; and

“(E) recommendations as to whether, in order to better assess whether specific innovations to be pursued are being adequately supported by the private sector, the Director could benefit from advice and information from additional industry and other expert sources without a proprietary or financial interest in proposals being evaluated.

“(4) **ADVISORY CAPACITY.**—In discharging its duties under this subsection, the TIP Advisory Board shall function solely in an advisory capacity, in accordance with the Federal Advisory Committee Act.

“(5) **ANNUAL REPORT.**—The TIP Advisory Board shall transmit an annual report to the Secretary for transmittal to the Congress within 30 days after the submission to Congress of the President's annual budget request in each year. Such report shall address the status of the Technology Innovation Program and comment on the relevant sections of the programmatic planning document and updates thereto transmitted to the Congress by the Director under section 23(c) and (d).

“(k) **DEFINITIONS.**—For purposes of this section—

“(1) the term ‘eligible company’ means a company that is incorporated in the United States and does a majority of its business in the United States, and that either—

“(A) is majority owned by citizens of the United States; or